

Via Electronic Filing

March 16, 2004

Marlene H. Dortch, Secretary
Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20554

Re: NOW Licenses, LLC
CC Docket No. 94-102
Supplement to Interim Report

Dear Ms. Dortch:

NOW Licenses, LLC ("NOW"), by its attorneys, hereby submits this supplement ("Supplement") to its interim report (the "Interim Report") filed on July 31, 2003, with respect to NOW's progress toward compliance with the Commission's Rules governing wireless Enhanced 911 ("E911") deployment.

Background

NOW sought, and received, an extension of the compliance deadline with respect to Phase II E911 service. Pursuant to the *Order to Stay*¹ granting NOW temporary relief, NOW submitted its Interim Report in July, 2003. NOW reported that it intended to implement a network-based solution for E911 compliance, following the lead of nationwide carriers also using GSM technology.² NOW indicated that it was making efforts to confer with Nortel to implement the necessary upgrades to NOW's switch in order to provide Phase I and Phase II E911 service. NOW understood that the necessary upgrades to its network to become

¹ *Revision of the Commission's Rules to Ensure Compatibility with Enhanced 911 Emergency Calling Systems, Order to Stay*, 17 FCC Rcd. 14,841 (2002) (the "*Order to Stay*").

² See Letter from Robert A. Calaff of T-Mobile to John B. Muleta, et al., dated March 21, 2003, filed in CC Docket No. 94-102.

WDC/269101.2

CORPORATE OFFICES

3054 Cass Road
PO Box 879
Traverse City, MI 49685 - 0879

v: 888.565.6111
v: 231.932.2300
f: 231.945.9363

www.npiwireless.com
info@noverr.com

fully compliant would cost NOW approximately \$1.6 million. Based upon the assumption of one of the nationwide GSM carriers that the technology for Phase II compliance could be deployed and validated in its network by December 31, 2003,³ NOW anticipated that it would be in a position to provide Phase II service within six months of its receipt of a valid PSAP request received after that time.

Intervening Circumstances

Following the submission of its Interim Report, NOW continued to make efforts toward compliance with the Commission's E911 rules, including efforts to coordinate necessary switch upgrades with Nortel. At the same time, however, NOW was experiencing financial difficulties. NOW did not have adequate funds to expend upwards of the additional \$1.6 million required to achieve both Phase I and Phase II E911 compliance. NOW has filed with the Commission, on a confidential basis, its audited financial statement for the periods ended December 31, 2001 and December 31, 2002, which reflect an extremely heavy debt load in relation to very limited revenues.⁴ Audited financials for the period ended December 31, 2003 are being completed presently, and reflect a continuing liquidity problem.

Because of its financial situation, NOW felt constrained in 2003 to consider a disposition of assets. As a consequence, in December 2003, NOW executed an Asset Purchase Agreement with Dobson which contemplates that, subject to FCC consent, NOW will assign all of its FCC licenses (the "Assignment") to Dobson. In connection with that transaction, Dobson also will purchase many of NOW's network assets, including numerous base station facilities and related PCS equipment. Dobson will construct and install a new switch to operate the systems

³ In the Matter of T-Mobile USA, Inc., Order, File No. EB-02-TS-012, FCC 03-172 (rel. July 17, 2003), Consent Decree at n. 10.

⁴ Supplement to Petition for Extension of Time to Comply with the Assistance Capability Requirements of Section 103 of CALEA, filed February 12, 2004.

CORPORATE OFFICES

3054 Cass Road
PO Box 879
Traverse City, MI 49685 - 0879

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v: 231.932.2300
f: 231.946.9363

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info@npiwireless.com

post-closing. NOW understands from Dobson that the new switch will be capable of providing E911 Phase II service.

Present Status of Compliance Efforts

Notwithstanding the foregoing, NOW has continued to progress toward Phase I compliance. NOW has entered into an agreement with Intrado with respect to the provision of Phase I service. Intrado has developed a Phase I implementation plan for NOW, and is coordinating with the PSAPs who have requested Phase I service from NOW⁵ in order to implement that service. NOW is working collaboratively with Intrado and various local exchange carriers to get the necessary facilities in place in order to provide Phase I service in the late April timeframe. NOW estimates that its expenses in connection with its efforts to provide Phase I service to requesting PSAPs have exceeded \$200,000.

In light of the financial constraints described above, and the anticipated consummation of the Dobson transaction in the near future, NOW is working closely with Intrado and Dobson to seek from the PSAPs who have requested Phase II service a voluntary extension of the Phase II implementation timeframes until December 31, 2004. Dobson has advised NOW that it anticipates having its Phase II-compliant switch installed and operating by that date.

⁵ NOW's Interim Report indicated that NOW had received requests from 28 PSAPs for Phase I service. After submitting that filing, NOW discovered that certain requests, which had been sent to the prior FCC licensee of the stations covering the areas in which Phase I service was sought, had not been included in NOW's Interim Report. NOW advises the Commission that it has received over 30 requests for Phase I service, and nine requests for Phase II service.

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CORPORATE OFFICES

3054 Cass Road
PO Box 879
Traverse City, MI 49685 - 0870

v: 888.565.6111
v: 231.932.2300
f: 231.946.9383

www.npiwireless.com
info@noverr.com

Kindly refer any questions in connection with the foregoing to the undersigned, or to our regulatory counsel Christine Crowe at (202) 508-9562.

Very truly yours,



Christopher Hahn
Network Operations Manager
NOW Licenses, LLC

cc: Daniel F. Grosh

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CORPORATE OFFICES

3054 Cass Road
PO Box 879
Traverse City, MI 49685-0879

v: 888.565.6111
v: 231.932.2300
f: 231.946.9363

www.npiwireless.com
info@novum.com

DECLARATION

I, Christopher Hahn, hereby declare under penalty of perjury that:

1. I am the Network Operations Manager of NOW Licenses, LLC ("NOW").
2. I have read NOW's foregoing "Supplement to Interim Report."
3. I have personal knowledge of the facts set forth therein.
4. Except with respect to those facts of which judicial notice may be taken, those facts are true and correct to the best of my knowledge, information, and belief.

Executed this 16th day of March, 2004.



Christopher Hahn

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t: 231.946.9363

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info@novorr.com